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**INDIANA UTILITY**  
**REGULATORY COMMISSION**

Petitioner's Exhibit No. 7  
Cause No. 45447  
Vectren South  
Page 1 of 15

**SOUTHERN INDIANA GAS AND ELECTRIC COMPANY**  
**d/b/a VECTREN ENERGY DELIVERY OF INDIANA, INC.**  
**A CENTERPOINT ENERGY COMPANY**  
**(VECTREN SOUTH)**

**IURC CAUSE NO. 45447**

**DIRECT TESTIMONY**  
**OF**  
**JEFFREY S. MYERSON**  
**DIRECTOR, INTEGRATION MANAGEMENT OFFICE**

**ON**

**TECHNOLOGY INVESTMENTS**

**SPONSORING PETITIONER'S EXHIBIT NO. 7,**  
**ATTACHMENT JSM-1**

**Glossary of Acronyms**

AMS	Advanced Metering System
CenterPoint	CenterPoint Energy, Inc.
CenterPoint Houston Company	CenterPoint Energy Houston Electric, LLC Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc.
EIP	Enterprise Integration Program
GIS	Geographic Information System
IG	Intelligent Grid
IMO	Integration Management Office
IURC or Commission	Indiana Utility Regulatory Commission
LDC	Local Distribution Company
Petitioner	Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc.
Service Company	CenterPoint Energy Service Company, LLC
Vectren	Vectren Corporation
Vectren North	Indiana Gas Company, Inc. d/b/a Vectren Energy Delivery of Indiana, Inc.
Vectren South	Southern Indiana Gas and Electric Company d/b/a Vectren Energy Delivery of Indiana, Inc.
Vectren Ohio	Vectren Energy Delivery of Ohio, Inc.
VUHI	Vectren Utility Holding Inc

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**DIRECT TESTIMONY OF JEFFREY S. MYERSON**

1 **I. INTRODUCTION**

2

3 **Q. Please state your name and business address.**

4 A. My name is Jeffrey S. Myerson. My business address is 1111 Louisiana Street,  
5 Houston, Texas, 77002.

6

7 **Q. By whom are you employed?**

8 A. I am employed by CenterPoint Energy Service Company, LLC ("Service Company"),  
9 a wholly-owned subsidiary of CenterPoint Energy, Inc. ("CenterPoint"). The Service  
10 Company provides centralized support services to CenterPoint's operating units,  
11 which includes Vectren Corporation ("Vectren"), a wholly-owned subsidiary of  
12 CenterPoint.

13

14 **Q. On whose behalf are you testifying in this proceeding?**

15 A. I am testifying on behalf of Southern Indiana Gas and Electric Company d/b/a Vectren  
16 Energy Delivery of Indiana, Inc. ("Petitioner", "Vectren South" or "the Company"),  
17 which is a subsidiary of Vectren.

18

19 **Q. What is your role with respect to Petitioner Vectren South?**

20 A. I am Director of the Integration Management Office ("IMO") for CenterPoint, the  
21 ultimate parent company of Vectren South. I have the same role with two other utility  
22 subsidiaries of Vectren – Indiana Gas Company, Inc. d/b/a Vectren Energy Delivery of  
23 Indiana, Inc. ("Vectren North") and Vectren Energy Delivery of Ohio, Inc. ("Vectren

1 Ohio”).

2

3 **Q. Please describe your educational background and professional experience.**

4 A. I was hired by Houston Lighting & Power in 1981 immediately after graduation from  
5 Purdue University. I earned a Master in Business Administration from the University of  
6 Houston in 1988. My early career involved work as a licensed professional land  
7 surveyor, and I later moved into a role implementing and managing an enterprise  
8 Geographic Information System (“GIS”) for the regulated electric and gas businesses  
9 of CenterPoint across six states.

10

11 Since then, my roles have included diverse areas of leadership including Director of  
12 Land & Field Services, with responsibilities for surveying, right-of-way management,  
13 joint use of electric facilities, GIS, and underground damage prevention across the  
14 regions in the six states served by Regulated Operations; Director of Advanced  
15 Metering System (“AMS”) Integration, responsible for the successful integration of  
16 technologies, organizations, processes, and communications of the AMS; Director of  
17 Smart Grid Deployment, with responsibility to oversee the integration of the AMS and  
18 Intelligent Grid (“IG”) projects, and with responsibility for governance activities; Service  
19 Area Director, responsible for the South Houston service area of CenterPoint Energy  
20 Houston Electric, LLC (“CenterPoint Houston”) Distribution Operations; and Senior  
21 Director of Technology Operations with responsibilities for enterprise application  
22 environments including SAP and Oracle Fusion, analytics, the technology portfolio and  
23 project management. In June, 2018, I moved into my current role.

1 **Q. What are your present duties and responsibilities as Director of IMO?**

2 A. In my current role, I have responsibility to oversee and manage the integration  
3 activities of CenterPoint with Vectren, and with responsibility for planning,  
4 implementing, managing, and reporting on progress related to the integration  
5 activities. These responsibilities include project planning, tracking and reporting;  
6 communications; risk management; financial reporting; integration; and issue  
7 resolution. My responsibilities expanded in November, 2019 when I also gained  
8 responsibility for management of the Enterprise Integration Program ("EIP") which is  
9 a project to integrate technologies and business processes throughout CenterPoint.  
10 My testimony in this proceeding relates to my role as Director of the IMO.

11  
12 **Q. On whose behalf are you testifying in this proceeding?**

13 A. I am testifying on behalf of Vectren South.

14  
15 **Q. What is the purpose of your testimony in this proceeding?**

16 A. My testimony will (1) describe the technology-related investments that are scheduled  
17 to be completed during the test year and (2) explain the process to integrate Vectren  
18 with CenterPoint.

19  
20 **Q. Are you sponsoring any attachments in this proceeding?**

21 A. Yes. I am sponsoring the following attachments in this proceeding:

- 22
- Petitioner's Exhibit No. 7, **Attachment JSM-1**

1 **Q. Was this attachment prepared by you or under your supervision?**

2 A. Yes, it was.

3

4

5 **II. CNP INFORMATION TECHNOLOGY-RELATED INVESTMENTS**

6

7 **Q. Please describe the information technology-related investments that are**  
8 **included in this proceeding.**

9 A. The Company uses interconnected software applications that run on hardware  
10 platforms ("technology") to operate the business. Many of those applications and the  
11 hardware platforms on which they run were identified as needing to be upgraded or  
12 replaced in 2019 and 2020. When CenterPoint announced the merger with Vectren  
13 in 2018, an analysis was initiated and it was decided to replace the technology used  
14 by the Company with systems that would allow the combined company to operate  
15 more synergistically. In October 2019 a project to replace much of this technology  
16 was started, and it will be complete by the end of September, 2021.

17

18 **Q. What capital information technology-related investments is Vectren South**  
19 **proposing to include in rate base in this proceeding?**

20 A. Petitioner's Witness Angie M. Bell sponsors the allocated capital cost that will be  
21 included in the test year for Vectren South.

1 **Q. Please provide an overview of the technology replacements and/or upgrades**  
2 **that are expected to be in-service during the test year.**

3 A. Please see Petitioner's Exhibit No. 7, Attachment JSM-1 for a detailed listing of the  
4 software applications that Vectren South is replacing or upgrading during the test year.  
5 In general, a number of applications that support financial/accounting, gas operations,  
6 human resource, supply chain management, and technology functions (including  
7 many/some of the Oracle based systems currently in use at Vectren South) will be  
8 replaced/upgraded to SAP, the enterprise wide system used by CenterPoint.

9

10 **Q. Please describe the role of technology in the operations of a utility.**

11 A. Use of technology is absolutely critical to efficiently operate a gas Local Distribution  
12 Company ("LDC") and electric utility in a safe and reliable manner. Technology  
13 systems include applications and other software, networks, and hardware that are  
14 integrated together to provide critical data to both utility workers in the field performing  
15 construction and maintenance work and those performing back-office functions such  
16 as accounting. In addition, utility systems are also securely connected to people and  
17 businesses outside the company, including customers, suppliers, and financial  
18 institutions. These external connections provide the ability for the company to receive  
19 and remit payments, order supplies, and provide customers with important information  
20 about their utility services. One of the most critical benefits of technology is related to  
21 safety. Through applications, field workers can access information about underground  
22 facility locations including pipeline locations, valves, cathodic protection equipment,  
23 and other critical data elements that allow them to respond to emergency situations  
24 quickly and safely. In addition, systems integration allows for very fast communication

1 from a customer, through the call center, to operations dispatching and to the field  
2 worker.

3

4 **Q. Please describe how technology provides benefits from an efficiency**  
5 **perspective.**

6 A. CenterPoint's utility businesses operate at a fast pace in order to meet our customers'  
7 evolving needs and expectations. Whether related to new service connections,  
8 extensions to serve growth areas, or replacement of aging equipment, efficiency from  
9 technology investments results in increased safety, faster service response, higher  
10 customer satisfaction, and lower costs.

11

12 **Q. What are the drivers for maintaining technology systems?**

13 A. Software such as applications, hardware such as computers and servers, and  
14 networks all need to be regularly updated, maintained, and/or replaced. Like an  
15 automobile, failure to invest in routine maintenance will lead to more expensive repairs  
16 later that can occur at inopportune times. With technology systems, routine  
17 maintenance includes updating software or firmware versions, applying vendor  
18 patches, monitoring performance and remediating issues. Routine maintenance is  
19 also a key to protecting against security vulnerabilities. Utilities are continuously  
20 attacked by hackers from around the world who try to access our data, control  
21 systems, employee records, and customer records. Applying security patches,  
22 software and firmware upgrades, together with regular upgrades to applications,  
23 hardware and networks, and constant monitoring are critical to maintaining both  
24 efficient utility operations as well as a secure business for our stakeholders.

1 **Q. How often must software technology be replaced?**

2 A. There are many factors involved in determining when software applications need to  
3 be replaced including supportability, operating costs, functionality, performance,  
4 reliability, and age. Supportability includes both third-party support typically provided  
5 by the software vendor, and in-house support provided by employees/contractors. As  
6 software applications age, vendor support becomes more expensive and sometimes  
7 systems become unsupported. The risk of operating unsupported software is  
8 considered a high business risk because if the software breaks or fails there is no path  
9 to resolution, and that will affect utility operations and customer service. For example,  
10 many businesses were forced to move away from Windows 95 when Microsoft  
11 announced it would no longer support this system. Utilities rely on a variety of software  
12 that faces similar fates over time.

13

14 Operating costs can also increase with the age of software because the likelihood of  
15 it needing support increases. Functionality and performance are closely linked factors  
16 in which new software or applications normally result in greater operational efficiencies  
17 due to faster response times, better integration between systems, or new feature  
18 functionality for users. Reliability and age are also linked, because as software ages,  
19 it becomes slower relative to newer applications; it becomes a more familiar target for  
20 cyber-attacks; and it becomes unreliable because of the greater number of patches  
21 that have been applied over the life of the asset.

1 **Q. Must regular investments in technology be made to prudently manage a public**  
2 **utility?**

3 A. Yes. Vectren South makes capital and O&M investments in technology annually.  
4 Such investments are necessary to replace hardware that fails or is out of date and to  
5 maintain software crucial to our operations. Vectren South's rate base reflects ongoing  
6 investments in technology that have been prudently made to ensure service to our  
7 customers.

8

9 **Q. Why was the decision made to harmonize on CenterPoint technology platforms?**

10 A. As I explained before, the approach began by recognizing that much of Vectren  
11 South's existing systems needs to be replaced or upgraded and this need had been  
12 identified by Vectren South before the merger. Knowing that this need exists, the next  
13 step is to decide the replacement platform. To achieve business synergies, the  
14 CenterPoint utility business units need to operate on the same suite or platform of  
15 technology applications. This allows gas operations and electric operations resources  
16 to share best practices, leverage standards and even work across jurisdictions when  
17 required to handle unexpected workload peaks. Similarly, corporate functions  
18 including finance, human resources and IT are able to efficiently consolidate reporting,  
19 analyze performance, and drive towards common objective.

20

21 **Q. What are the benefits of harmonizing information technology designed to**  
22 **achieve?**

23 A. From a technology perspective, the transition to CenterPoint technology systems  
24 eliminates the need to upgrade or replace Vectren applications that were planned in

1 the same timeframe. In addition, moving to the CenterPoint Energy platform allows  
2 for more efficient technology management because there will be fewer technology  
3 environments to operate and maintain. This strategy also allows for consolidated  
4 cyber-security monitoring and protection, resulting in lower security risks and shared  
5 costs. Similarly, from a business and operations perspective, using a consistent suite  
6 of applications allows operational benefits to be sustained by standardizing processes,  
7 sharing best practices and leveraging a workforce that can support multiple regions of  
8 the business.

9

10 **Q. Which of the information technology systems identified in Petitioner's Exhibit**  
11 **No. 7, Attachment JSM-1 replaced Vectren technology that was planned for**  
12 **upgrade or replacement?**

13 A. I have identified the technology systems that were planned for upgrade or replacement  
14 in Attachment JSM-1. These software systems were either not supported by the  
15 vendor or faced other technical obsolescence challenges. Vectren planned to invest  
16 in replacing or upgrading this technology infrastructure before the merger. Indeed,  
17 Vectren's financial forecasts projected investing approximately \$400 million over the  
18 next ten years. Replacement of this technology with systems that are common among  
19 the CenterPoint footprint brought the efficiencies and benefits of CenterPoint utilizing  
20 one system across its footprint without duplicate costs.

21

22 **Q. Please discuss the technology investments necessary to enable Vectren and**  
23 **CenterPoint to more efficiently operate as a combined company.**

24 A. Vectren entities will transition their financial planning systems from Oracle to SAP.

1 While Oracle continues to be a supported system utilized by other businesses,  
2 CenterPoint has historically utilized SAP. It would have been possible for the  
3 Company to continue using Oracle while the rest of CenterPoint uses SAP, but there  
4 are many challenges with this approach. Today, a manual process is necessary to  
5 combine information from Oracle and SAP to enable CenterPoint to operate as one  
6 entity. This manual process is cumbersome and inefficient. It creates challenges in  
7 tracing information in the regulatory process. For example, costs that are allocated  
8 from CenterPoint to Vectren, and then allocated from Vectren to Vectren South will  
9 require tracing the information back through Oracle to the invoice that is exchanged  
10 with SAP and then tracing the costs back through SAP. Operating on a common  
11 software system will make this process much simpler and direct allocation from  
12 CenterPoint to Vectren South will be facilitated.

13

14 **Q Will use of the new technology platform by the Company require training?**

15 A Yes, the project to deploy these technology platforms includes costs to develop  
16 training materials. CenterPoint Energy has contracted with an industry expert to work  
17 with internal technology and operational experts to document business processes that  
18 are changing as a result of the technology implementation. This documentation will  
19 be used to deliver user training in 2021 prior to implementation.

20

21 **Q. What IT-related benefits accrue as a result of Vectren replacing the technology**  
22 **systems after evaluating their replacement in the context of a larger**  
23 **organization?**

24 A. Several benefits accrue to the benefit of the business and customers. First,

1 CenterPoint gains technology support efficiencies by maintaining one software system  
2 rather than multiple systems that perform similar functions. Updates can be done more  
3 efficiently across the system and CenterPoint is not required to maintain expertise of  
4 two different systems. Second, monitoring and protecting against security  
5 vulnerabilities is more efficient with one software system. Operating consistent  
6 software systems minimizes the need to track known vulnerabilities with multiple forms  
7 of software and makes it faster to address one system rather than multiple systems.  
8 Third, CenterPoint may be able to obtain volume discounts by utilizing software across  
9 the organization rather than using different software in different parts of its service  
10 territory.

11

12 **Q. What are the operational benefits of enabling the Company to operate on the**  
13 **same technology platform as CenterPoint?**

14 A. By aligning on a common technology platform, business and functional areas achieve  
15 and sustain efficiencies in their operations. They can standardize processes with the  
16 rest of CenterPoint, better leverage their resources across the diverse service area of  
17 CenterPoint, and they can collaborate across the consolidated organization to find  
18 additional improvement opportunities. For example, working in two accounting  
19 systems requires double the work to close the books each month, and extra work to  
20 consolidate financial results into a single statement. Similarly, utility dispatching  
21 operations must work in two systems, requiring more resources, additional training,  
22 and duplicate process documentation.

1 **Q. When does Vectren South anticipate these software systems going into**  
2 **service?**

3 A. The systems will be implemented by the end of September, 2021 and the project is  
4 currently on time and working smoothly.

5

6

7 **III. CONCLUSION**

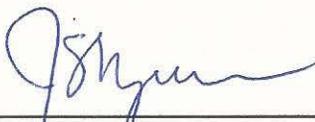
8

9 **Q. Does this conclude your direct testimony?**

10 A. Yes, it does.

## VERIFICATION

I, Jeffrey S. Myerson, affirm under the penalties of perjury that the forgoing representations of fact in my Direct Testimony are true to the best of my knowledge, information and belief.

A handwritten signature in blue ink, appearing to read "J. Myerson", written over a horizontal line.

Jeffrey S. Myerson

Dated: October 30, 2020

Primary Business Function	VVC Application	Functionality Description	Original Timing of Replacement / Upgrade	Future State Application
F&A	Cashpro Web	Bank website for treasury wire	No replacement planned	FIS Integrity
F&A	Hyperion EPM	Budget and management reporting	No replacement planned	SAP
F&A	KBACE Payroll Reports	Payroll reports	No replacement planned	SAP
F&A	KBX Cube Reporting	Payroll Reports	No replacement planned	SAP
F&A	Markview	Imaging and Faxing System for Oracle EBS	2019/2020	SAP
F&A	Oracle EBS - iExpense	Oracle Enterprise Business Suite	2019/2020	SAP
F&A	Oracle EBS - Cash Management	Oracle Enterprise Business Suite	2019/2020	SAP
F&A	Oracle EBS - Payroll	Oracle Enterprise Business Suite	2019/2020	SAP
F&A	Oracle EBS - iProcurement	Oracle Enterprise Business Suite	2019/2020	BlackLine SaaS
F&A	Workforce Time Entry	Time Entry System	2019/2020	SAP
F&A	RIA Checkpoint	Tax law database of laws and regulations	No replacement planned	SAP
F&A	Payroll Tax Q Series	Oracle software to supply rates and calculates federal and state withholding taxes	2019/2020	SAP
F&A	Power Plan/ Power Tax	PowerPlan is the standard fixed asset system of the utility industry. It integrates with Power Tax, which is to compile information for tax returns.	2019/2020	Upgraded Version of PowerPlan/ PowerTax
Gas Ops	Agentry	Software Developer's Kit for Syclo	2018	ABB Service Suite
Gas Ops	Maximo	Enterprise Asset Management System. Includes our Construction, Maintenance and Compliance Work.	2018	SAP
Gas Ops	Syclo/ G4	Field Mobile Work Management for construction, maintenance and compliance	2018	ABB Service Suite
Gas Ops	The Rules Manager	Rules engine for Maximo validation rules	2018	SAP
Generation	Avantis	Power Supply Work Management System	2020	SAP
Generation	Intellitrak	Operator Rounds - Manual readings on mobile device, can generate work orders	No replacement planned	SAP
Generation	MAINTelligence	Mobile work planning system	No replacement planned	SAP
Generation	VIP	Used for Avantis Approvals	No replacement planned	SAP
HR	Oracle HCM - Advance Benefits	Oracle Enterprise Business Suite	2019/2020	SAP
HR	Oracle HCM - Self Service HR and Base HR	Oracle Enterprise Business Suite	2019/2020	SAP
HR	Oracle HCM - UPK	Oracle Enterprise Business Suite	2019/2020	SAP
Ops Support	RedTag	Lock-Out/Tag-Out System	No replacement planned	SAP
Ops Support	RPS (Recurring Payments Systems)	Lease payment management system custom built on the Sharepoint platform and interfaces with Oracle financials	No replacement planned	SAP

<b>Primary Business Function</b>	<b>VVC Application</b>	<b>Functionality Description</b>	<b>Original Timing of Replacement / Upgrade</b>	<b>Future State Application</b>
Regulatory	Oracle E-Business Suite	Oracle Enterprise Business Suite	2019/2020	SAP
Supply Chain Management	Intellium	Enabling scanner functionality	No replacement planned	SAP
Supply Chain Management	Loftware	Label printing software for materials in warehouse	2019/2020	SAP
Supply Chain Management	Oracle EBS- Mobile Supply Chain	Oracle Enterprise Business Suite	2019/2021	SAP
Supply Chain Management	Struxure	Application to standardize catalog item descriptions	No replacement planned	SAP
Technology	Cogent Datahub	Tunneller software	No replacement planned	SAP
Technology	IBM Cognos Integration Server	Integration tool to import data from Essbase to Hyperion RDBMS and load EBS data to Essbase	No replacement planned	SAP
Technology	Noetix View	Financial reporting package used in conjunction with OBIEE	No replacement planned	SAP